

**ADMINISTRATIVE SERVICES DEPARTMENT[11]**

**Notice of Intended Action**

**Proposing rule making related to processes and procedures and providing an opportunity for public comment**

The Department of Administrative Services hereby proposes to amend Chapter 4, “Public Records and Fair Information Practices,” Chapter 6, “Agency Procedure for Rule Making,” Chapter 43, “Employee Payroll Deductions for Charitable Organizations,” Chapter 45, “Payroll Deduction for Tuition Program Contributions,” Chapter 46, “Payroll Deduction for Additional Insurance Coverage,” Chapter 60, “Separations, Disciplinary Actions and Reduction in Force,” Chapter 64, “Benefits,” Chapter 71, “Combined Charitable Campaign,” Chapter 103, “State Employee Driving Guidelines,” Chapter 110, “Inventory Guidelines for State of Iowa Personal and Real Property,” Chapter 117, “Procurement of Goods and Services of General Use,” Chapter 118, “Purchasing Standards for Service Contracts,” and Chapter 119, “Uniform Terms and Conditions for Service Contracts,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code sections 8A.104, 8A.311, 17A.3 and 17A.4.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code sections 8A.104 and 17A.7(2).

*Purpose and Summary*

These rules are being amended to correct outdated processes, procedures, and references. The proposed amendments address 13 of the Department’s chapters in the Iowa Administrative Code and are submitted as part of the Department’s five-year review of rules.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

The Department will not grant waivers under the provisions of these rules, other than as may be allowed under Chapter 9 of the Department’s rules concerning waivers.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on October 18, 2018. Comments should be directed to:

Tami Wiencek  
Department of Administrative Services  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, Iowa 50319-0114  
Phone: 515.725.2017  
Fax: 515.281.6140  
Email: [tami.wiencek@iowa.gov](mailto:tami.wiencek@iowa.gov)

### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 18, 2018  
10 to 11 a.m.

Conference Room 5, A Level  
Hoover State Office Building  
Des Moines, Iowa

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend paragraph **4.13(2)“I”** as follows:

*l.* Confidential assignments of state vehicles by ~~the state vehicle dispatcher fleet services~~. These records include letters/memos detailing driver assignments and plate numbers for selected vehicles pursuant to ~~2003 Iowa Code Supplement section sections~~ 8A.362, and ~~Iowa Code section~~ 321.19(1).

ITEM 2. Amend paragraph **4.14(6)“f”** as follows:

*f.* Telephone directory of state employees. ~~The information technology enterprise office of the chief information officer~~ maintains a telephone directory of state employees. The directory contains names, department names, business addresses and telephone numbers. The publication also includes private industry information and advertising containing business names, addresses and telephone numbers. This record is stored ~~on~~ both on paper and electronically.

ITEM 3. Amend rule 11—6.10(17A) as follows:

#### **11—6.10(17A) Exemptions from public rule-making procedures.**

**6.10(1)** *Omission of notice and comment.* ~~To the extent the department for good cause finds that public notice and participation are unnecessary, impracticable, or contrary to the public interest in the process of adopting a particular rule, the~~ The department may adopt that a rule without publishing advance Notice of Intended Action in the Iowa Administrative Bulletin and without providing for written or oral public submissions prior to its adoption pursuant to Iowa Code section 17A.4(3) “a” when the statute so provides or with the approval of the administrative rules committee. ~~The department shall incorporate the required finding and a brief statement of its supporting reasons in each rule adopted in reliance upon this subrule.~~

~~6.10(2) *Categories exempt.* The following narrowly tailored categories of rules are exempted from the usual public notice and participation requirements because those requirements are unnecessary, impracticable, or contrary to the public interest with respect to each and every member of the defined class: rules mandated by either state or federal law.~~

~~6.10(3) 6.10(2) *Public proceedings on rules adopted without them.* The department may, at any time, commence a standard rule-making proceeding for the adoption of a rule that is identical or similar to a rule it adopts in reliance upon subrule 6.10(1). Upon written petition by a governmental subdivision, the administrative rules review committee, an agency, the administrative rules coordinator, an association having not less than 25 members, or at least 25 persons, the department shall commence a standard rule-making proceeding for any rule specified in the petition that was adopted in reliance upon subrule 6.10(1). Such a petition must be filed within one year of the publication of the specified rule in the Iowa Administrative Bulletin as an adopted rule. The rule-making proceeding on that rule must be commenced within 60 days of the receipt of such a petition. After a standard rule-making proceeding commenced pursuant to this subrule, the department may either readopt the rule it adopted without benefit of all usual procedures on the basis of subrule 6.10(1), or may take any other lawful action, including the amendment or repeal of the rule in question, with whatever further proceedings are appropriate.~~

ITEM 4. Amend rule 11—6.17(17A) as follows:

**11—6.17(17A) Review by department of rules by department.** Pursuant to Iowa Code section 17A.7(2) beginning July 1, 2012, over each five-year period of time, the department shall conduct an ongoing and comprehensive review of the department's rules.

~~6.17(1) Any interested person, association, agency, or political subdivision may submit a written request to the administrative rules coordinator requesting the department to conduct a formal review of a specified rule. Upon approval of that request by the administrative rules coordinator, the department shall conduct a formal review of a specified rule to determine whether a new rule should be adopted instead or whether the rule should be amended or repealed. The department may refuse to conduct a review if it has conducted such a review of the specified rule within five years prior to the filing of the written request.~~

~~6.17(2) In conducting the formal review, the department shall prepare within a reasonable time a written report summarizing its findings, its supporting reasons, and any proposed course of action. The report must include a concise statement of the department's findings regarding the rule's effectiveness in achieving its objectives, including a summary of any available supporting data. The report shall also concisely describe significant written criticisms of the rule received during the previous five years, including a summary of any petitions for waiver of the rule received by the department or granted by the department. The report shall describe alternative solutions to resolve the criticisms of the rule, the reasons any were rejected, and any changes made in the rule in response to the criticisms as well as the reasons for the changes. A copy of the department's report shall be sent to the administrative rules review committee and the administrative rules coordinator. The report must also be available for public inspection.~~

ITEM 5. Amend subrule 43.2(2) as follows:

**43.2(2)** Have 100 or more eligible state officers and employees participating for any payroll system except as follows: as set forth in rule 11—43.5(70A).

*a.* In the case of employees at the University of Northern Iowa, 50 or more.

*b.* In the case of employees at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School, 25 or more participants.

ITEM 6. Amend rule 11—43.5(70A) as follows:

**11—43.5(70A) Payroll system.** A payroll system for the purpose of this chapter is any one of the following:

1. State of Iowa centralized.
2. Department of transportation.

3. ~~Iowa State University of Science and Technology.~~
4. ~~State University of Iowa.~~
5. ~~University of Northern Iowa.~~
6. ~~Iowa Braille and Sight Saving School.~~
7. ~~Iowa School for the Deaf.~~
8. ~~Iowa state fair board.~~
9. ~~Community-based corrections.~~
  - ~~Waterloo corrections district.~~
  - ~~Ames corrections district.~~
  - ~~Sioux City corrections district.~~
  - ~~Council Bluffs corrections district.~~
  - ~~Des Moines corrections district.~~
  - ~~Cedar Rapids corrections district.~~
  - ~~Davenport corrections district.~~
  - ~~Fairfield corrections district.~~

ITEM 7. Amend rule 11—45.1(81GA,HF748), parenthetical implementation statute, as follows:

**11—45.1(81GA,HF748 70A) General provisions.**

ITEM 8. Amend rule 11—45.2(81GA,HF748) as follows:

**11—45.2(81GA,HF748 70A) Definitions.** For the purpose of this chapter, the following definitions apply.

“Employee” means a ~~permanent~~ nontemporary employee of the state of Iowa.

“Payroll system” means any one of the following:

1. State of Iowa centralized.
2. Department of transportation.
3. Iowa State University of Science and Technology.
4. State University of Iowa.
5. University of Northern Iowa.
6. Iowa Braille and Sight Saving School.
7. Iowa School for the Deaf.
8. Iowa state fair board.

“Qualified tuition program” means a program which meets the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code.

ITEM 9. Amend rule 11—45.3(81GA,HF748), parenthetical implementation statute, as follows:

**11—45.3(81GA,HF748 70A) Tuition program qualifications.**

ITEM 10. Amend rules 11—45.5(81GA,HF748) to 11—45.14(81GA,HF748), parenthetical implementation statutes, as follows:

**(81GA,HF748 70A)**

ITEM 11. Amend **11—Chapter 45**, implementation sentence, as follows:

These rules are intended to implement 2005 Iowa Acts, House File 748 Iowa Code section 70A.17B.

ITEM 12. Amend rule **11—46.2(70A)**, definition of “Employee,” as follows:

“Employee” means a ~~permanent~~ nontemporary state employee.

ITEM 13. Amend rule 11—60.1(8A) as follows:

**11—60.1(8A) Separations.**

**60.1(1)** *Resignation, retirement, phased retirement, early retirement, or early termination.*

- a. No change.
- b. Rescinded IAB 8/6/14, effective 9/10/14.

~~c.~~—Employees who received early retirement or early termination incentives provided by 1986 Iowa Acts, Senate File 2242, shall not be eligible for further state employment.

~~d. c.~~ Separation from employment for purposes of induction into military service shall be in accordance with 11—subrules 63.6(2) and 63.9(2).

~~e. d.~~ A person who has served as a commissioner or board member of a regulatory agency shall not be eligible for employment with that agency until two years after termination of the appointment.

**60.1(2)** No change.

~~**60.1(3)** *Early retirement incentive program—1992.*~~ This early retirement incentive program is provided for in 1992 Iowa Acts, chapter 1220. Employees who participated in this program are not eligible to accept any further employment with the state of Iowa. This prohibition does not apply to a program participant who is later elected to public office.

~~**60.1(4)** *Sick leave and vacation incentive program—2002.*~~ This termination incentive program is provided for in 2001 Iowa Acts, Second Extraordinary Session, chapter 5. An employee who elected participation in this program is not eligible to accept any further permanent employment with the state of Iowa from the date of termination from employment. This prohibition does not apply to a program participant who is later elected to public office.

~~**60.1(5)** *Sick leave and vacation incentive program—Fiscal Year 2003.*~~ This termination incentive program is provided for in 2002 Iowa Acts, Second Extraordinary Session, chapter 1001. An employee who elected participation in this program is not eligible to accept any further permanent part-time or full-time employment with the state of Iowa from the date of termination from employment. This prohibition does not apply to a program participant who is later elected to public office.

~~**60.1(6)** *Sick leave and vacation incentive program—Fiscal Year 2005.*~~ This termination incentive program is provided for in 2004 Iowa Acts, chapter 1035. An employee who elected participation in this program is not eligible to accept any further permanent part-time or full-time employment with the state of Iowa from the date of termination from employment. This prohibition does not apply to a program participant who is later elected to public office.

~~**60.1(7)** *State employee retirement incentive program—Fiscal Year 2010.*~~

~~a.~~—This state employee retirement incentive program is provided for in 2010 Iowa Acts, Senate File 2062.

~~b.~~—To become a program participant, an employee must complete and file a program application form on or before April 15, 2010, and must terminate employment no later than June 24, 2010.

~~c.~~—For purposes of this program, the following definitions shall apply:

~~“Employee”~~ means an employee of the executive branch of this state, including an employee of a judicial district of the department of correctional services, an employee of the fair board, an employee of the state board of regents if the board elects to participate in the program, and an employee of the department of justice. However, “employee” does not mean an elected official.

~~“Eligible employee”~~ means an employee who is employed on February 10, 2010, who is 55 years of age or older on July 31, 2010, and who has submitted an application by the employee’s last day of employment to the Iowa public employees’ retirement system to begin monthly retirement benefits by July 2010. “Eligible employee” shall include an employee who began receiving IPERS monthly benefits prior to February 2010 if the employee is employed on February 10, 2010, and terminates employment on or before June 24, 2010. “Eligible employee” shall not include an employee who is eligible for the sick leave conversion program as described in Iowa Code section 70A.23, subsection 4, or a former employee who withdraws the application for monthly retirement benefits from the Iowa public employees’ retirement system before receiving the first month of benefits.

~~“Participant”~~ means an eligible employee who, on or before April 15, 2010, submits an application to participate and does participate in the state employee retirement incentive program established by this subrule. For the purposes of this program, a person remains a participant after all benefits under this program have been made.

~~“Program”~~ means the state employee retirement incentive program established in 2010 Iowa Acts, Senate File 2062.

~~“State” means the state of Iowa and all of its branches, departments, agencies, boards, or commissions, including a judicial district department of correctional services and the state board of regents.~~

~~d.—A participant who elects to remain in the state’s retiree health insurance group plan may receive a health insurance contribution benefit. The health insurance contribution benefit consists of up to 5 years of contributions toward retiree health insurance. The contributions shall be used to pay the employer’s portion of the health insurance premiums. The department shall determine the contribution rate based on the employer’s contribution to an existing state plan.~~

~~A participant shall begin receiving the health insurance contribution benefit once payments, if any, under Iowa Code section 70A.23 cease, and shall continue to receive such benefits for 5 years after termination of employment. If a participant is not eligible for payments under Iowa Code section 70A.23, the participant will begin receiving health insurance contribution benefits the month following termination of employment and shall continue to receive such benefits for 5 years after termination of employment.~~

~~e.—All existing rules and policies regarding continuation of health insurance and changing health insurance plans shall apply to participants and surviving spouses covered by the program.~~

~~f.—A participant will receive a years of service incentive payment for 5 years after termination of employment. The payments shall include the entire value of the participant’s accrued but unused vacation leave and, for participants with at least 10 years of state employment, \$1000 for each year of state employment, up to 25 years of employment. State employment shall include all past and present employment with the state, regardless of whether the employee took a refund of the contributions made to IPERS for a prior period of service, if the employee provides adequate documentation of prior periods of employment. The payment shall be paid in five equal installments beginning in September 2010 and ending in 2014.~~

~~g.—If a participant dies within 5 years of termination of employment, the participant’s beneficiary will receive any remaining years of service incentive benefits. If the participant’s surviving spouse is covered on the participant’s state retiree health insurance plan, the surviving spouse may elect to continue health insurance coverage and will receive any remaining health insurance contribution benefits under this program. If the surviving spouse was not covered by the participant’s health insurance plan, or if there is no surviving spouse, any remaining health insurance contribution benefits are forfeited.~~

~~h.—A participating employee, as a condition of participation in this program, shall waive any and all rights to receive payment for accrued vacation pursuant to Iowa Code section 91A.4 and shall waive all rights to file suit against the state of Iowa, including all of its departments, agencies, and other subdivisions, based on state or federal claims arising out of the employment relationship.~~

~~i.—The administrative head, manager, supervisor, or any employee of a department, agency, board, or commission of the state of Iowa shall not coerce or otherwise influence any state employee to participate or not participate in this program.~~

~~j.—A participant is not eligible to accept any further employment with the state, other than as an elected official or a member of a board or commission, from the date of termination from employment. A participant may not enter into a contract to provide services to the state as an independent contractor or a consultant.~~

~~k.—The state’s obligations and duties under Iowa Code chapter 669 are not altered or diminished by a participant’s signing of the program application and release form. Participants may pursue any remedy allowed in Iowa Code chapter 669 without regard to program eligibility.~~

ITEM 14. Amend subrule 60.3(7) as follows:

**60.3(7)** Reduction in force shall not be used to avoid or circumvent the provisions or intent of 2003 Iowa Code Supplement section 8A.413, or these rules governing reclassification, disciplinary demotion, or discharge. Actions alleged to be in noncompliance with this rule may be appealed in accordance with 11—Chapter 61.

ITEM 15. Rescind and reserve subrule **64.10(5)**.

ITEM 16. Amend rule 11—71.1(8A) as follows:

**11—71.1(8A) Policy.** These rules define and structure the state’s charitable organization campaign program. The intent of the campaign is to provide an opportunity for state employees to contribute to eligible charitable agencies through the state’s payroll deduction process, to ensure ~~accountability of participants with regard to the funds contributed~~ funds are contributed to an entity that complies with the definition of a charitable organization as defined in Iowa Code section 70A.14(1), and to minimize workplace disruption and administrative costs by allowing solicitation at the work site only once per year. Nothing about this program shall be construed as support or endorsement by the state of Iowa for any individual charitable agency or federation of agencies.

ITEM 17. Amend rule 11—103.2(8A) as follows:

**11—103.2(8A) Definitions.**

*“At-fault accident”* means an accident in which the state driver is determined to be 50 percent or more responsible for the accident.

*“Cargo payload”* means the net cargo weight transported. The weight of the driver, passengers, and fuel shall not be considered in determining cargo payload.

*“Cargo volume”* means the space calculated in cubic feet behind the vehicle driver and passenger seating area. In station wagons, the cargo volume is measured to the front seating area with the second seat laid flat behind the driver.

*“Defensive driving course”* means ~~an eight-hour course with~~ instruction provided by the Iowa state patrol.

*“Department”* means the department of administrative services (DAS).

*“Driver improvement course”* means ~~an eight-hour course with~~ instruction provided by a ~~local area college~~ Iowa community college.

*“Gross vehicle weight rating (GVWR)”* means the weight specified by the manufacturer as the loaded weight of a single vehicle.

*“Habitual violation”* means that the person has been convicted of three or more moving violations committed within a 12-month period.

*“Passengers”* means the total number of vehicle occupants transported on a trip, including the driver.

*“Pool car”* means a vehicle assigned to the ~~state of Iowa, department of administrative services, division of fleet and mail pool fleet services.~~

*“Preventable accident,”* for purposes of this chapter, means an accident that could have been prevented or in which damage could have been minimized by proper evasive action.

*“Primary use”* means the utilized application exceeds 50 percent of the miles driven annually for United States Environmental Protection Agency (EPA)-designated light-duty trucks and vans and exceeds 75 percent of the miles driven annually for EPA-designated passenger sedans and wagons.

*“Private vehicle”* means any vehicle not registered to the state of Iowa.

*“Special work vehicle”* means but is not limited to fire trucks, ambulances, motor homes, buses, medium- and heavy-duty trucks (25,999 lbs. GVWR and larger), heavy construction equipment, and other highway maintenance vehicles, and any other classes of vehicles of limited application approved by the state vehicle dispatcher.

*“State driver”* means any person who drives a vehicle to conduct official state business other than a law enforcement officer employed by the department of public safety.

*“State vehicle”* means any vehicle registered to the state of Iowa, department of administrative services.

ITEM 18. Amend subrule 103.3(1) as follows:

**103.3(1) Agencies subject to vehicle assignment standards.** Pursuant to Iowa Code Supplement section 8A.362, the agencies listed below shall assign all vehicles within their possession, control, or

use in accordance with the standards set forth in rule ~~103.4(8A)~~ 11—103.4(8A). The following agencies are subject to the vehicle assignment standards in rule ~~103.4(8A)~~ 11—103.4(8A):

- ~~a. State vehicle dispatcher~~ The department;
- b. State department of transportation;
- c. Institutions under the control of the state board of regents;
- d. The department for the blind; and
- e. Any other state agency exempted from obtaining vehicles for use through ~~the state vehicle dispatcher~~ fleet services.

ITEM 19. Amend subrule 103.4(1) as follows:

**103.4(1)** In order to maximize the average passenger miles per gallon of motor vehicle fuel consumed, vehicles shall be assigned on the following basis:

- a. EPA-rated compact sedans shall carry one or two passengers and their personal effects.
- ~~b. EPA-rated compact wagons shall carry one or two passengers, their personal effects, and cargo for which a compact sedan cannot be used.~~
- ~~c. b.~~ EPA-rated midsize sedans shall carry three or more passengers and their personal effects.
- ~~d. EPA-rated midsize wagons shall carry one or more passengers, their personal effects, and cargo that will not conform to the use of a midsize sedan.~~
- ~~e. c.~~ EPA-rated full-size sedans shall carry four or more passengers and their personal effects.
- ~~f. d.~~ Cargo vans shall be appropriate in size and GVWR for their primary use with regard to payload and cargo volume.
- ~~g. e.~~ Mini passenger vans shall carry three or more passengers, their personal effects, and cargo that does not conform to the use of a ~~midsize wagon or~~ full-size sedan.
- ~~h. f.~~ Eight-passenger vans shall carry five or more passengers and their personal effects.
- ~~i. g.~~ Twelve-passenger vans shall carry seven or more passengers and their personal effects.
- ~~j. h.~~ Fifteen-passenger vans shall carry nine or more passengers and their personal effects.
- ~~k. i.~~ Pickups and sport utility vehicles shall be appropriate in size, GVWR, and drivetrain (two-wheel drive or four-wheel drive) for their primary use with regard to trailering, payload, cargo volume, and on/off road requirements.

ITEM 20. Amend rule 11—103.5(8A) as follows:

**11—103.5(8A) Type of accident.** The determination as to whether an accident is without fault, at fault, or preventable shall be made by the risk manager of the department ~~of administrative services~~. In making this determination, the risk manager will consider all relevant information including information provided by the state driver and others involved in the accident, information provided by witnesses to the accident and information contained in any investigating officer's reports.

ITEM 21. Amend rule 11—103.7(8A) as follows:

**11—103.7(8A) Required reporting.** A state driver must report any potential liability, collision or comprehensive loss which occurs while conducting state business to the risk manager of the department ~~of administrative services~~. The failure to report may result in payment of any loss from the funds of the state driver's employing agency rather than from the state self-insurance fund. All documentation, such as proof of required class completion and insurance coverage, must be provided to the department risk manager.

ITEM 22. Amend rule 11—103.8(8A) as follows:

**11—103.8(8A) Mandatory training.** Each state driver who is assigned a state vehicle or who drives a state or private vehicle on state business at least 5,000 miles per year shall attend a defensive driving or driver improvement course every three years. Each state driver who drives a pool car shall also participate in vehicle safety classes as ~~offered and~~ required by the ~~division of fleet and mail~~ department and provided by the Iowa state patrol or Iowa community colleges.

ITEM 23. Amend rule 11—103.11(8A) as follows:

**11—103.11(8A) Access to driving records.** The ~~fleet and mail division~~ department has the authority to monitor the Iowa department of transportation driving record of employees who drive a state vehicle or a private vehicle to conduct state business.

ITEM 24. Amend paragraph **103.12(3)“d”** as follows:

*d.* The state driver fails to notify the ~~fleet and mail division~~ department of an operating while intoxicated conviction received while operating a state vehicle or a private vehicle.

ITEM 25. Amend rule 11—103.13(8A) as follows:

**11—103.13(8A) Reconsideration of suspension.** If a state driver is suspended from driving a state vehicle, the driver may request a reconsideration of the suspension except as noted in 103.12(7). A written request for reconsideration must be submitted to the suspended driver’s immediate supervisor. The immediate supervisor must provide a written report, supporting or denying the employee’s request, to the director of the department of administrative services. The director shall act on this request and, within 60 days from receipt of the supervisor’s request for reconsideration, notify the state driver’s supervisor of the action taken.

ITEM 26. Amend subrule 110.2(1) as follows:

**110.2(1) Personal property.** For purposes of this chapter, personal property is any item or equipment that has an acquisition value of \$5000 or more and has an anticipated useful life of one year or more. Computer software is to be excluded from this definition. If the minimum level for capitalization set by the federal Office of Management and Budget Circular A87 2 CFR Part 200 is changed, ~~there will be a coordinated effort between the department of administrative services and the department of revenue to will~~ determine if the amount should be adjusted for the state of Iowa.

ITEM 27. Amend subrule 110.2(3) as follows:

**110.2(3) Acquisition value—~~cost or estimated cost~~.** ~~Cost or estimated cost~~ may include freight, installation expense and administrative expense, if readily known and available. ~~If cost is unknown and cannot be estimated, acquisition value is the fair market value.~~ For donated items, historical treasures and similar assets, acquisition value is the fair market value at date of donation price that would be paid to acquire an asset with similar service potential.

ITEM 28. Amend rule 11—110.6(7A) as follows:

**11—110.6(7A) Inventory listing.** Personal property should be accounted for on an inventory listing. As applicable, the following minimum information must be presented on the inventory listing for each record of personal property:

1. Department.
2. Tag number.
3. Description.
4. Acquisition value.
5. Location(s).
6. Acquisition date.
7. Disposition date (not applicable until disposal of property).
8. The only depreciation method allowed shall be the straight-line method.
9. ~~If the department depreciates~~ personal property is depreciated, the information must include the useful life of the asset.

Departments shall develop adequate internal control procedures that (1) identify individual(s) authorized to update and change the inventory records and (2) provide for an adequate segregation of duties between the recording and custody of property.

ITEM 29. Amend rule 11—**117.2(8A)**, definition of “Department,” as follows:

“*Department*” means the department of administrative services (DAS).

ITEM 30. Amend subrule 117.8(1) as follows:

**117.8(1) General notification.**

*a. Bid posting.* The department and each state agency shall provide notice of solicitations. The department and each state agency shall post notice of every formal competitive bidding opportunity and proposal to the official Internet site, [bidopportunities.iowa.gov](http://bidopportunities.iowa.gov), operated by the department of ~~administrative services~~ in accordance with Iowa Code sections 73.2, 8A.311, and 362.3. Instead of direct posting, the agency may add a link to [bidopportunities.iowa.gov](http://bidopportunities.iowa.gov) that connects to the website maintained by the agency on which requests for bids and proposals for that agency are posted. For the purposes of this subrule, a formal solicitation is as defined by the appropriate procurement authority. Informal competitive bidding opportunities and proposals may also be posted on or linked to the official state Internet site operated by the department of ~~administrative services~~.

*b. Other forms of notice.* Notice of competitive bidding opportunities and proposals may be provided by telephone or fax, in print, or by other means that give reasonable notice to vendors, in addition to the posting or linking of formal solicitations to the official Internet site operated by the department of ~~administrative services~~.

*c. and d.* No change.

ITEM 31. Amend paragraph **117.10(2)“c”** as follows:

*c.* If reimbursable expenses are included in the price proposal, rates shall not exceed those in procedure 210.245, “Travel-in-state—board, commission, advisory council, and task force member expenses,” of the ~~department of administrative services~~ department’s state accounting enterprise’s Accounting Policy and Procedures Manual.

ITEM 32. Adopt the following **new** definition of “Department” in rule **11—118.3(8A)**:

“Department” means the department of administrative services (DAS).

ITEM 33. Amend subrule 118.15(2) as follows:

**118.15(2)** Nothing in this chapter is intended to supplant or supersede the requirements adopted by the department of ~~administrative services~~ relating to the processing of claims. State agencies entering into personal services contracts should refer to procedure 240.102, Miscellaneous—Services Contracting, of the ~~department of administrative services~~, department’s state accounting enterprise policy and procedure manual.

ITEM 34. Amend subrule 118.16(1) as follows:

**118.16(1)** For the purpose of this chapter, a “waiver or variance” means an action by the director of the department of ~~administrative services~~ that suspends, in whole or in part, the requirements or provisions of a rule in this chapter as applied to a state agency when the state agency establishes good cause for a waiver or variance of the rule. For simplicity, the term “waiver” shall include both a “waiver” and a “variance.”

ITEM 35. Amend rule 11—119.5(8,8A) as follows:

**11—119.5(8,8A) Special terms and conditions.** Rule 11—119.4(8,8A) does not apply to service contracts containing special terms and conditions adopted by a department or establishment for use in its service contracts with the approval of the department of management, in cooperation with the office of the attorney general and the department of administrative services as provided for in ~~2003~~ Iowa Code Supplement section 8.47(2).